

**BASIC STRUCTURE FOR THE CONNER PRAIRIE  
OUTDOOR HISTORICAL MUSUEM**

- I. Two Entities. Conner Prairie Outdoor Historical Museum would be owned and operated through a structure involving two entities:
  - A. A Foundation; and
  - B. An Operating Company.
- II. Purpose of the Foundation. The purpose of the Foundation would be to hold for the benefit of the Museum:
  - A. The real property;
  - B. The personal property; and
  - C. An endowment solely for the benefit of the Museum.

The primary focus of the Foundation would be on the long term interests of the Museum. The Foundation would not operate or manage the Museum nor engage in fundraising.
- III. Purpose of the Operating Company. The purpose of the Operating Company would be to operate and management the Museum, including:
  - A. Hiring the management team to operate and manage the Museum on a day-to-day basis;
  - B. Conducting all fundraising for the benefit of the Museum.
- IV. Relationship Between Foundation and Operating Company. The relationship between the Foundation and the Company would be as follows:
  - A. The Foundation and the Operating Company would enter into a long-term lease agreement under which the Foundation would lease the real and personal property to the Operating Company for its use in operating the Museum.

- B. The Foundation would hold, manage and invest the endowment funds and determine the amount of income, net appreciation or principal of the endowment funds that would be made available for the immediate use of the Operating Company.
  - C. All future endowment contributions for the benefit of the Museum would be held by the Foundation.
  - D. Directors of the Operating Company would serve on the Board of the Foundation, but they could not constitute a majority.
- V. Benefits of Arrangement. The benefits of this arrangement include the following:
- A. The endowment fund would be managed with the long-term interests of the Museum in mind.
  - B. The arrangement would ameliorate the conflict inherent in the management of endowment funds between the desire for immediate income to meet today's needs and the desire to provide for the future.
  - C. A community-based organization would be established that would play a meaningful role in the Museum's operation.
  - D. The arrangement should be conducive to fundraising because it affords Board participation, but ensures that capital gifts are preserved.
  - E. The arrangement permits flexibility to enable the Museum to adapt to future needs and goals.
  - F. Strong lines of communication between Foundation and Operating Company would be facilitated through interlocking directorates.